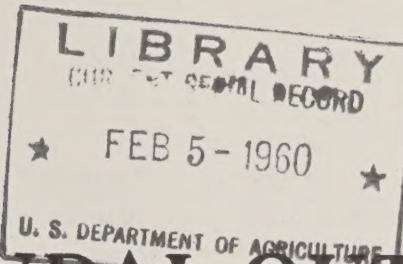


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the AGRICULTURAL OUTLOOK DIGEST

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Lush growing conditions this summer over much of the United States have steadily improved crop prospects.

Comparing September 1 crop forecasts with those of a month earlier shows increases for many products. Corn production prospects are up 3% and sorghum grain 17%. Oats and barley also are up, raising the feed grain total 6% above last year's record. Increases also were in prospect for cotton, spring wheat, soybeans, peanuts, potatoes and other crops.

Total prospects for all crops climbed over 2% in August and on September 1 production was expected to total nearly a tenth above the record level of 1957. Yields per acre are up sharply ... September index was 141 (1947-49 = 100), far above the former record of 126 set in 1957.

Big harvests will put pressure on farmers' prices this fall and some further decline is likely. Prices received in mid-August averaged 5% below April and May, highest level for year so far, but were nearly 2% above a year earlier. In first 8 months of 1958, farmers' prices averaged 6% above same period of 1957.

FARM INCOME. Realized net of farm operators continues above last year. Boost is coming from higher prices (especially for livestock), larger Soil Bank payments, increased marketings of which part are accounted for by sales delayed from late 1957. Annual rate of realized net in the first 3 quarters of this year is estimated at about \$13 billion, nearly a fifth above a year earlier.

LIVESTOCK. Prices of feeder cattle are likely to continue well above last year through the fall, though they may decline seasonally. Fed cattle prices are expected to hold near year earlier levels.

Hog prices will decline seasonally the next couple of months. Slaughter will run close to year-earlier levels since the 1958 spring pig crop was only 2% larger than the 1957 crop and the gain was in early farrowings.

Increased hog marketings are in store for 1959. Pig Crop Report for 9 Corn Belt States shows number of sows farrowed or intended to farrow fall pigs is 17% more than a year earlier. This is slightly more than indicated by intentions report of last June.

Increased winter farrowings also are in prospect. Farmers in the 9 States plan to have 20% more sows to farrow in December-February than a year earlier. Nine States covered in the survey accounted for 2/3 of total pig crop in 1957.

DAIRY. Milk production continues a little below last year. Prices to farmers so far in 1958 have averaged about 3% under last year. For the whole year, about the same production, lower prices means some reduction in cash receipts from high 1957 total.

EGGS. Any further seasonal price rise for eggs this fall is likely to be small. Because of 10% increase in number of chicks raised, laying flock this fall will rise above a year earlier ... also will likely lay at a higher rate per bird.

Seasonal price rise for turkeys also is likely to be small. Storage stocks are large. Though total turkey crop is down 4% from last year, big late hatch means supplies for slaughter during holiday season will be above a year earlier.

Broiler marketings are declining seasonally but are likely to remain above a year earlier through the rest of 1958. Demand also is declining from the seasonally strong summer level. Prices are likely to remain low the rest of this year.

FEED. Excellent growing conditions during August boosted prospective feed grain production to 151 million tons. This tops last year's record by 8 million tons. With a 60 million ton carryover expected, the total feed supply will exceed the 1952-56 average by 9%.

Feed requirements will rise next year since the number of grain-consuming livestock is likely to be up about 5%. Even so, the huge crop will exceed use, probably resulting in a one-fourth increase in carryover.

Supplies of other feeds are also large. Pastures are good over most of the country and the hay supply is a record. The record soybean crop and increases over 1957 in production of cottonseed and peanuts will mean more oilseed meal.

Prices of feed grains and high-protein feeds have declined in the last month. Further seasonal reductions are expected this fall.

OILSEEDS. Prospects for all oilseed crops improved in August. The total, led by the record soybean crop, is up 16% from 1957. Lard production also will be up, while butter output will be about the same.

Total supply of edible fats, oils and oilseeds (in terms of oil) for 1958-59 is expected to be nearly 14% larger than this year. In addition to increased production, carryover into 1958-59 will be up from the low level of a year earlier.

WHEAT. Prices are running farther below the loan rate than at this time last year ... are likely to continue to do so the rest of this marketing year. Main reasons are the huge crop--up 53% from 1957--and the relatively large amount of wheat grown on acreage outside the allotment program.

FRUIT. Production of major fruits for fall marketings is up from last year ... apples 7%, grapes 8% and cranberries 3%. But the pear crop is off 7%. Demand from both consumers and processors is expected to remain strong.

FRESH VEGETABLES. Production this fall is expected to total a little larger than last year but a little under average. Most of increase is in early fall cabbage and carrots, though tomatoes, spinach and cauliflower also are up. Prospective production of most other fall crops is lower, led by a 22% drop for early fall lettuce. Heavy supplies of canned and frozen vegetables will continue to offer strong competition to fresh items.

POTATOES. The late summer and fall crops are forecast at 11 and 12% above last year, assuring ample supplies for several months. Prices continue below a year earlier. The sweetpotato crop is expected to be up slightly from last year but continues below average.

COTTON. Supply for 1958-59, estimated at 20.9 million running bales, is $1\frac{1}{2}$ million below last year, 6.7 million below 1956-57 record. Reduction is due to smaller carryover ... 1958 crop is indicated to be 1.1 million above last year. Though acreage is down from 1957, yields per acre are expected to average 486 pounds, 98 above 1957.

FLUE-CURED TOBACCO. Supply for 1958-59 is 3% below a year earlier. July 1 carryover was down 8% while crop is expected to be up 10%. Over 2/5 of 1958 crop had been marketed through mid-September at prices averaging 57.2¢ per pound compared with 56.5¢ a year earlier.